Business Development from Start to Scale
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Week - 10
Business Development Competencies
Lecture - 49
Cultural Skills

Hi friends, welcome to the NPTEL course Business Development from Start to Scale. We are in week 10 with the theme of Business Development Competencies. In this lecture 49, we will talk about Cultural Skills.

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Cultural is an important aspect of business development because business is global while culture is local and we need to make relationships in several local cultures. Therefore,

important needs related to business development from a cultural perspective. We need to partner with multiple individuals and entities and they belong to multiple nationalities.

We need to develop long-term operational and strategic partnerships with stakeholders as part of our business development activity. We need to institutionalize collaboration to withstand environmental vicissitudes. We need to have cross-cultural management expertise in business development therefore.

What is culture? Culture is the characteristics and knowledge of a particular group of people encompassing language, way of life, religion, cuisine, social habits, music and arts. Culture is positioned in many ways; some examples are as follows. Country or region culture. Working class culture. Affluent class culture. Urban versus rural culture. The study of Japanese language and culture.

Cooking is a hugely important part of French culture. He is no longer in touch with youth culture. The film examines the culture clash between the generations. There is difference between start-up and big company culture. So, when you look at culture, it mystifies as well as demystifies several things which are related to business development. That is why it is important to understand culture as we look at business development as a holistic and integrative management practice.
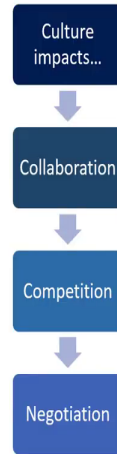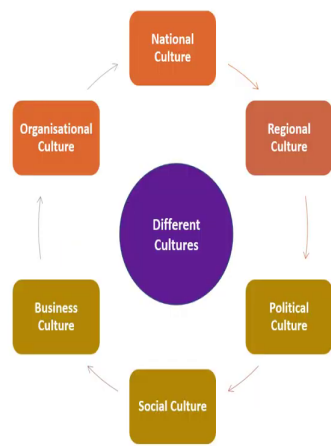
There is a cultural cascade related to any particular business organization and that is influenced by multiple cultures that envelop a business organization. A national culture, regional culture, political culture, social culture, business culture and organizational culture. Culture impacts the way a business or an individual undertakes collaboration or how it competes or how the negotiation takes place. The impact of culture on the business process is significant.
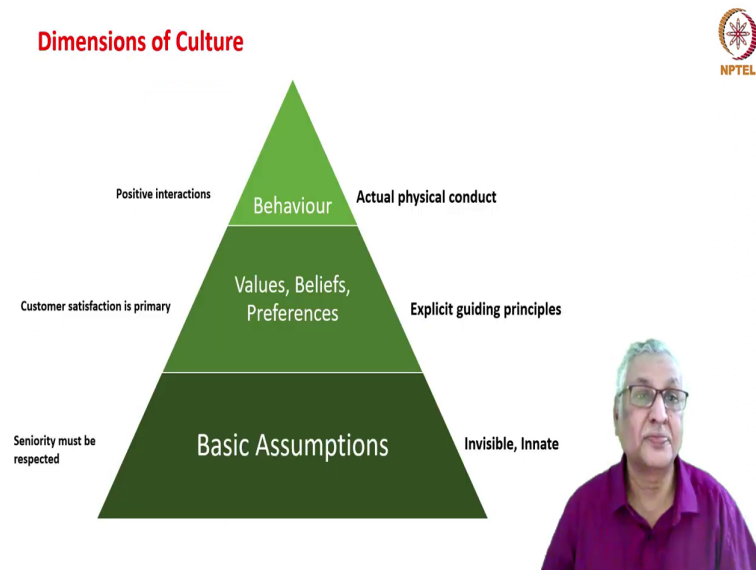
What are the several dimensions of culture? Specifically, it is a pyramid of three tiers. One is one of basic assumptions. These assumptions are invisible and innate in organizations and in individuals. For example, an organization must have a culture that seniority must be respected, elders must be respected.

Another organization may say that it is not the seniority, but only the intellectual level that should be respected. Then we have values, beliefs and preferences. These are the explicit guiding principles that occur throughout the organization that are visible for example, customer satisfaction is primary. Then the way the culture manifests itself in terms of behaviour is the visible and day-to-day interactive part of culture.

Actual physical conduct, the way people interact with each other, whether they are positive or negative. These are the three tiers of culture in an organization.

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But small things do make a big difference as far as culture is concerned. The way you meet and greet people. The way you exchange your business cards. The way you communicate with each other. The body language displayed in negotiations or otherwise. The patience one displays in dealing with issues and also dealing with people.

The reflection one undergoes when the issues of importance arise. The review processes that are adopted by individuals, teams and organizations. The manner of agreeing on any issue or even disagreeing on any issue. And the way a particular discussion or a transaction is brought to close. These are all apparently small things, but they do make a big difference.

Corporate culture is top-down in a sense. Corporate or organizational culture is the specific set of behaviours, practices and systems that are driven by the values adopted by people and teams in the organization. And this message is set by the tone at the top. If the founders, if the boards, if the chief executive officers set the correct tone for culture in an organization, that cultural cascade will permit throughout the organization.

Ratan Tata in 2006 stated, Business as I have seen it places one great demand on you. It needs you to self-impose a framework of ethics, values, fairness and objectivity on yourself at all times. Ratan Tata speaking in 2006. There are five core values of Tata Group, Integrity, Responsibility, Excellence, Pioneering and Unity.

Culture and Negotiation

Factor	Indian	American	European	Japanese	Korean
Goal Setting	Opportunistic	Aggressive	Conservative	Cautious	Aggressive
Attitude	Personalised	Objective	Evaluative	Reflective	Aggressive
Style	Flexible	Open Structure	Bounded	Methodical	Street-smart
Communication	Transparent	Measured	Measured	Minimalist	Rapid
Time Sense	Flexible	Strict	Adaptive	Measured	Urgent
Emotions	Open	Not displayed	Warm	Polite	Pushy
Agreement Form	Flexible	Specific	Specific	General	General
Flow Process	Parallel	Sequential	Sequential	Sequential	Parallel
Team Organisation	Flexible	Structured	Structured	Comprehensive	Individualistic
Decision Making	Top Down	Delegated	Delegated	Consensus	Empowered
Risk Taking	High	Calibrated	Low	Low	High

Why is culture important for business development process? It is so, because negotiation, one of the most important planks of business development which we have covered in the previous lecture is influenced by culture. Let us look at the way five different business development leaders from five different nationalities respond or create a business development activity in terms of negotiation.

As far as goal setting is concerned, an Indian negotiator would tend to be opportunistic and American aggressive, European conservative, Japanese cautious and Korean again aggressive. In terms of negotiating attitude, Indian style is very personalized. Americans is objective, European tends to be very evaluative, Japanese very reflective and Korean again aggressive.

In terms of style, an Indian negotiator tends to be flexible. An American negotiator adopts an open structure. European negotiator is completely measured. Japanese negotiator is

minimalist and Korean is rapid. In terms of the time sense, Indian negotiator is flexible. American negotiator is strict and within the bonds, European negotiator adaptive, Japanese negotiator measured and Korean negotiator urgent would like things to happen the next day.

Emotional quotient in an Indian negotiator is open, it is visible. Whereas in the American negotiator, it is never displayed. Europeans tend to be warm, Japanese polite and Koreans pushy. In terms of the agreement form that is adopted in negotiation, India again is pretty flexible whereas American is almost legal.

European very specific in terms of the requirements, they are not as legal as the American negotiators are. Japanese brought in general, whereas, Korean also follows a brought in general approach. In terms of the flow process in negotiation, Indians are willing to do several parallel types of negotiations whereas America would like to have a sequential success in the negotiating process.

Europe also follows the same methodology of sequential stage gating and Japanese does that as well whereas Koreans like Indians are parallel in their negotiating approaches. The team organization is pretty flexible in respect of India structured in respect of America. Again, Europe is structured whereas, Japanese very comprehensive. Korean is highly individualistic. The decision making in India is generally top-down. The negotiating team follows what is stipulated by the top management.

In respect of America, the decision making is delegated. So, is it in Europe and Japanese adopt consensus method, whereas, Koreans are empowered in terms of decision making. Risk taking is high with respect to the Indian negotiation. America tends to be pretty calibrated. Everything has to be assessed against the business rewards. Europe has low risk aversion or low risk tolerance. Japanese also have low risk tolerance, whereas, Koreans take high risk while negotiating an outcome.

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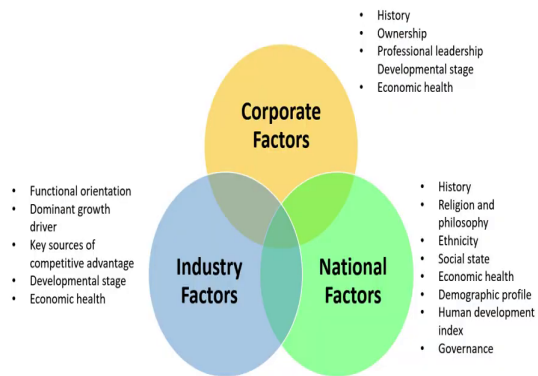
There are basically three types of cultural drivers. The first set is corporate factors related. The history of a company, the ownership of a company, the professional leadership in a company, the developmental stage of the company and economic health of the company is one set of factors.

Then we have industry factors, that is whether the industry is functionally oriented, what is the dominant growth driver in the industry, the key sources of competitive advantage in the industry, the developmental stage of the industry and the economic health of the industry. In respect of national factors, history, religion, philosophy, ethnicity, social state, economic health, demographic profile, human development index and governance impact the way the culture gets evolved in a particular nation.

All of these things together constitute the cultural imprint that exists in a specific form. So, it is difficult to analyze culture by any one filter. One has to have multiple filters to understand and shape the culture of an organization.

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Cultural Peculiarities of Industrial Organisation

Nature of the Firm	Cultural Expression
Promoter-led	Top-down; Opportunistic; Whimsical; Agile; Emotional; Committed
Small Entrepreneurial	Cautious; Risk-averse; Minimalist; Calibrated; Support-seeking
Large Entrepreneurial	Aggressive; Ambitious; Expansive; Risk-taking; Wealth-oriented
Start-up	Adventurous; Innovative; Irreverent; Risk-taking; Aspirational
Professional	Planned; Analytical; Risk and Reward Balanced; Accountable
Public Sector	Bureaucratic; Approval-based; Non-committal; Governance-driven
Listed Company	Responsible; Accountable; Compliance-driven; Market cap-driven
Unlisted Company	Autonomous; Multi-party; Transactional; Secretive; Fast
Global MNC	Standardised; Policy-driven; Slow and methodical; Evaluative

What are the cultural peculiarities of different types of industrial organization? Here I talk about the nature of the firm and the cultural expression. Let us look at a promoter led company. Cultural expression is top-down, opportunistic, whimsical, agile, emotional and committed.

If a company is a small-scale entrepreneurial company, the cultural expression should be cautious, risk-averse, minimalist, calibrated and support-seeking. Whereas a large entrepreneurial enterprise will be aggressive, ambitious, expansive, risk-taking and wealth

oriented. For example, Adani Group of Industries. It reflects all of these characteristics of a large entrepreneurial entity.

Let us look at a start-up. It tends to be adventurous, innovative, irreverent, risk-taking and aspirational. Professional company would be planned, analytical, risk and reward balanced and accountable. A public sector enterprise would be bureaucratic, approval-driven, non-committal and governance driven in its cultural expressions.

A listed company which could be a large private-limited company as well would be responsible, accountable compliance driven and market-cap driven. An unlisted company, again, could be a large private company could be autonomous, multi-party, transactional, secretive and fast. A global multinational corporation would have standardized cultural expression it is policy driven, slow and methodical and evaluative.

So, depending upon the nature of the company, the scale of the company and its ownership, there could be different kinds of cultural approaches adopted and inherent in industrial organization.

Cultural Peculiarities of Industrial Specialisation

| Specialisation of the Firm	Cultural Expression
FMCG	Marketing and Supply Chain Oriented
Automotive	Product, Operations and Marketing Oriented
Pharmaceutical	Innovation, Quality and Marketing Oriented
BFSI	Relationship, Safety, Security and Assurance Oriented
Electronics	Technology, Product and Marketing Oriented
Energy	Technology, Investment and Climate Oriented
Food	Cosmopolitan, Ethnicity and Nutrition Oriented
Hospitality	Global, World-class and Networking Oriented
Commodity	Standardised, Cost-competitive and Volume Oriented

Let us look at the specialization of the firm in terms of the key industrial bearing and the related cultural expression. If you are an FMCG company, your cultural expression would be marketing and supply chain oriented. Everything the company does is oriented towards the market opportunity and the customer.

If you are from an automotive organization, the whole approach would be highly technological, product operations and marketing oriented. A pharmaceutical company will be based on innovation, quality and marketing oriented. Banking and financial services as well as insurance company will be focused on relationship, safety, security and assurance oriented approach.

An electronics company would display technology, product and marketing orientation in its cultural expression. An energy company will be technology, investment and climate oriented.

A food company will be cosmopolitan. It will have ethnicity. It will also have nutrition as its major planks. A hospitality industry would look at being global, world class and network oriented in terms of its cultural expression. A commodity industry will be standardized, cost competitive and volume oriented in its cultural expression.

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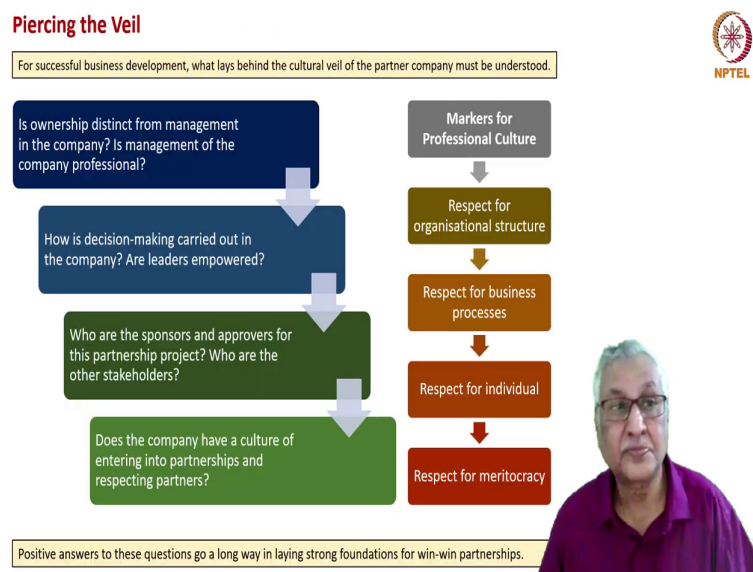
How do you pierce the veil as far as the culture is concerned? How do you understand what is the true interesting culture of the organization? This is important for successful business development. What lies behind the cultural veil of the partner company must be understood by the business development executives?

There are four types of questions which are needed to be answered in any business development interaction. A priori is ownership distinct from management in the company. Is management of the company truly professional? How is decision making carried out in the

company or leaders empowered leaders? Who are the sponsors and approvers for the partnership project?

Who are the other stakeholders? Does the company have a culture of entering into partnerships and respecting partners or does it treat partnership as a transient activity? There are some markers for professional culture in any organization. Fundamentally, respect for organizational structure, respect for business processes, respect for individual and respect for meritocracy.

Positive answers to these questions and to these markers will go a long way in laying strong foundations for win-win partnerships through business development.

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International Culture

The following international culture differences impact the success of business development and project management

| Some cultures are overawed by expatriates while some are hostile | **INTERPERSONAL RELATIONSHIPS** Communication Etiquette Decoding attitudes and behaviour Understanding "silent" language | **MULTICULTURAL TEAMS** "Expatriates" vs. "Locals" Group building/working/relationships/ Conflict resolutions | Some cultures 'go with the flow' while some cultures shape paths |

| Some cultures are compliant by nature while some are independent | **MANAGERIAL INTERACTIONS** (Boss/Colleagues/Subordinates) Feedback, control and coordination Rewards/Punishments Personal space Motivations | **PARNERSHIPS / TRANSACTIONS** Contract negotiations Joint ventures/Partnerships Official meetings Community events/Social events | Some cultures believe in partnership while some are individualistic |

Each forum and interaction will need to be fully experienced by the business development person to be effectiv

When we have culture, it is not just the national culture, there is also international culture. The following international culture differences impact the success of business development and project management. I talk about four different types of relationships and team workings and interactions as well as transactions.

Let us look at the interpersonal relationships first. How do interpersonal relationships occur? They occur through communication, the etiquette we display, decoding of attitudes and behaviours of individuals and understanding the unexpressed silent language. Some cultures are overawed by expatriates while some are hostile and that also determines how the discussions take place between countries of different cultural origins.

Then we have multicultural teams, that is within a nation, within a firm, there will be people of different cultures. Then you have the differentiation between expatriates and locals. There are challenges of group building, working and relationships. There are requirements for conflict resolutions. Some cultures in such a situation go with the flow while some cultures shape paths.

Then you have managerial interactions, that is the interactions between bosses, colleagues and subordinates. Important for these are feedback, control and coordination mechanisms that exist in an organization. The rewards and punishments that are provided to the team members, the personal space that is allowed to the individuals in terms of their thoughts, expressions and actions, the motivations that drive the leaders, managers and individuals towards their action paths.

Some cultures are compliant by nature while some are independent. As far as partnerships and transactions are concerned, these are very legal, but at the same time they are business oriented and outcome oriented. They look for the future being made stable through a contract.

Contract negotiations, joint ventures and partnerships, official meetings, community events and social events are some of the attributes of partnerships and transactions. Some cultures believe in partnership while some are individualistic, that is they believe in the CEO far more

than they believe in a contract. Each forum and interaction will need to be fully experienced by the business development person to be effective in the international cultural setting.

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Major Obstacles in Multi-cultural Environment

- Discussion of differences perceived as uncomfortable, inappropriate, threatening or illegitimate.
- Assumption of similarity / homogeneity.
- Needless assumption of dissimilarity or divergence in positions
- Cultural diversity is denied, lost as a potential resource and transformed into a significant handicap.
- Richness of diversity lost on the way.
- The gap between pretended similarity and inner conviction of actual difference widens and creates uncomfortable situations.
- Cautious behavior and unproductive costly politeness emerge as coping mechanisms to handle the situation.
- This leads to low risk taking, avoidance of confrontation and achievement of the smallest common denominator.

In any multicultural environment, one would encounter major obstacles. We would think that the discussion of differences could be uncomfortable in appropriate, threatening or illegitimate. Therefore, when people of different cultures are a part of a meeting or a business development platform, people tend to tone down what they would like to express.

On the other hand, people also could make the mistake of assuming similarity or homogeneity despite the basic cultural differences that exist. Similarly, members could assume unnecessarily dissimilarity or divergence in different positions. The very fact that cultures are diverse is denied sometimes and therefore, the cultural diversity is lost as a potential resource and is transformed into a significant handicap.

In negotiations or in interactions, the richness of diversity is lost on the way. There is no guarantee that one culture is the best culture and it is also not true that one culture is the best culture. Cultures have different strong points and different weak points. If you understand and appreciate and recognize the cultural diversity, the richness of multiple cultures could be brought into the discussion forum.

The gap between the pretended similarity and inner conviction of actual difference widens and creates uncomfortable situations when multiple cultures and people representing multiple cultures are involved. At the same time, having an extra cautious behavior and unproductive costly politeness emerges coping mechanisms to handle the situation rather than resolving any of the cultural barriers.

And this in turn leads to low risk taking, avoidance of confrontation and achievement of the smallest common denominator. Therefore, the way we look at the differences, the way we look at the diversity, the way we understand and assume the cultural facets would all have significant impact in terms of multicultural environment management. There could be obstacles and if well understood, there could be enablers as well.
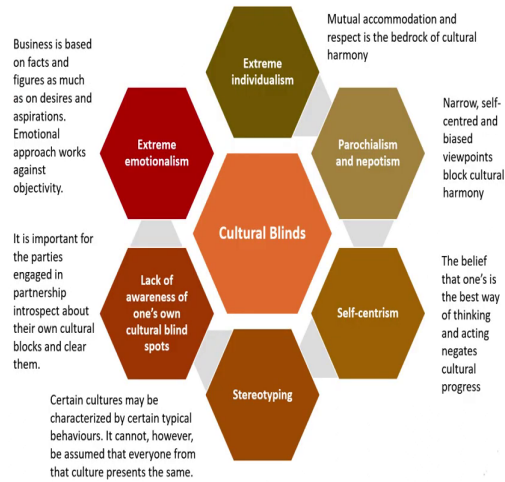
To have cultural synergy, we got to have some capability to conquer the mindsets of individuals who are involved in cultural interactions. Every individual, a team or an organization will have certain cultural blinds and they impact the seamlessness, the openness with which cultural interactions take place.

So, the six important cultural blinds we should be aware of and we should eliminate are as follows. One extreme individualism because mutual accommodation and respect is the bedrock of cultural harmony and because of this reason, extreme individualism has to be assured for cultural synergy to be effective.

The other danger of mindset is parochialism and nepotism. Any narrow self-centred and biased viewpoints will block cultural harmony. So, we need to be open, transparent and objective in how we deal with each other. Having self-centrism is one of the biggest blocks

for cultural synergy because whenever you get together as business development partners, you got to look at the other aspect of agenda as well. This is what we discussed in the previous lecture on the negotiation skills.

The belief that one's way is the best way of thinking and acting negates cultural progress. The other block for cultural synergy is stereotyping. It is a blind. Certain cultures may be characterized by certain typical behaviours. It cannot however, be assumed that everyone from that culture presents the same pattern. Although, I am from India. Many of the Japanese collaborators who dealt with me told me that I am an Indian with a Japanese mind.

So, I am not a characteristic Indian as far as they are concerned in terms of collaborating or discussing business development. So, we cannot typecast any individual just based on the nationality or the understanding of the national culture. Each individual is likely to be different as far as the business discussions are concerned.

The other thing is that if people are not aware of their own cultural blind spots, they can never achieve cultural synergy. It is important for the parties engaged in partnership to introspect about their own cultural blocks and clear them sooner than later. Again, extreme emotionalism is not good for cultural synergy. Business is based on facts and figures as much as on desires and aspirations.

There is certainly an emotional content in business discussion, but having too much of it could work against objectivity. So, these are the six cultural blinds which could be the stoppers for achieving better cultural synergy. Extreme individualism, parochialism and nepotism, self-centrism, stereotyping, lack of awareness on cultural blind spots and extreme emotionalism.

These have to be removed from the business development culture if the business development leaders have to be effective.

Business Etiquette

Factor	USA	Europe	Japan	India	China	Korea
Addressing	First Name	First Name	With 'san'	With respect	Impersonal	Impersonal
Introduction	Handshake	Handshake	Bowing	Handshake	Handshake	Bowing
Visiting card exchange	Casual	Semi-formal	With care and attention	Semi-formal	Casual	Semi-formal
Dress code	Business casual	Formal	Formal	Business casual	Formal	Formal
Seating	Informal	Semi-formal	Formal	Semi-formal	Directed	Semi-formal
Talking	Matter of fact	Factual and free flowing	Polite and measured	Free flowing	Directed	Free flowing
Body language	Casual	Semi-formal	Formal	Semi-formal	Formal	Semi-formal
Time	Sensitive to time	Sensitive to time	Highly time-sensitive	Not time-sensitive	Not time-sensitive	Time-sensitive
Eating	Early and quick	Early and quick	Late and slow	Late	Late	Late
Overall Etiquette	No role in negotiations	No role in negotiations	Big role in negotiations	Go with the flow	Big role in negotiations	Big role in negotiations

Let us look at business etiquette. We talked about simple things making great impact. Every nation has a business etiquette which needs to be understood and appreciated. Let us look at six different nationalities, USA, Europe, Japan, India, China and Korea. How does one address the other when the people meet with each other?

USA addresses through first name, Europe also through first name. Japan always says San, (Refer Time: 23:51), that is the way Japan addresses. India, we address with respect. The way we respect others is very much reflected in the way we talk about the other person in terms of name or saying sir, etcetera. China is impersonal and so, is Korea.

How do we introduce ourselves in business discussions? USA does it through handshake, attempts very firm handshake. Similarly, Europe, Japan does bowing. Every Japanese

executive tries to bow before the others as they meet with each other and also as they depart. India does handshake, attempts Namaste, China handshake and Korea bowing.

Visiting card exchange is very casual in USA based negotiations. Europe adopts a semi-formal approach. In Japan, a visiting card is provided with lot of care and attention. And if you provide a visiting card, the Japanese carefully read the visiting card and note the importance of the visiting card as well as the person who has given the visiting card. India tends to be semi-formal. China is casual and Korea again is semi-formal.

As far as the dress code, generally USA has moved to business casual approach in its dress sense. Europe again is formal still. Japan is quite formal in terms of the dress code in business negotiations. India adopts a business casual dress code. China is quite formal in its dress code and so, is Korea.

In respect of seating when you undertake business development negotiations, USA tends to be informal. It is not necessary that the most powerful person within the team by way of title or role should be at the centre of the table or at the head of the table. That person could be anywhere even distant. There is no one to one relationship between the titles when people of one party sit in opposition to the other party.

When I say opposition, it is not opposition in terms of contesting. It is just sitting opposite to each other whereas, in Europe, the seating arrangement is semi-formal. In Japan, however, it is formal. The managing director could be seated centre, duly accompanied by the deputies, the general managers and so on. In India, again it is semi-formal. In China, it is directed. It is very well understood who calls the shots and people look up to that person to be able to make good talk. In Korea, again it is semi-formal.

In respect of talking as part of the discussions, USA people tend to be matter of fact. Europe factual, but free flowing. In Japan, oriented discussions are discussions by Japanese people. It is all politeness and measured way of talking that counts. India has a free flowing discussion

and at times it becomes very monstrous as well. China is very directed, very formal and very controlled. Korea is again a free flowing discussion style.

Body language of US based negotiator is very casual. European, semi-formal, Japan quite formal, quite measured. Following the nationalistic rules of how people should interact, India semi-formal, China again formal, but controlled and Korea is semi-formal. The sensitivity time varies across the regions. USA is very sensitive to time. Europe is also sensitive to time.

Japan even more time sensitive. India is not time sensitive in terms of the business development negotiate negotiations. China is also not time sensitive. Korea is time sensitive again. As far as the eating habits are concerned, we also need to spend some time. Eating that is dining out is one of the important aspects of a successful business development approach.

Many of the problems that have been encountered in the day long discussions are somewhat easily resolved during the dinner discussions because they are the basis for people to loosen up and exchange some of the collateral aspects of the discussions that have taken place. In the USA, dinner is always early and quick. Therefore, if you are dealing with a USA partner, it is not appropriate for you to suggest a dinner which is beyond 8 pm or so.

So, you got to understand that USA and its people would like to have early and quick dinners. Europe again early and quick dinner. Japan, you can extend to as long as you need. It could even go up to the midnight, late and slow kind of dining out. India, late as we all know, China is late. So, is Korea. Asia is generally seems to have late dinners as opposed to USA and Europe.

The overall etiquette has no role in negotiations. That is the way you see it yourself, the way you kind of wiggle in the seat or the way you walk in the boardroom or the way you respond through your body language has ultimately no role in negotiations as for the USA based executives are concerned.

So, is it for European executive as well? But for Japanese people, the way the overall etiquette is conducted in business negotiations does have a big role in negotiations. India is

quite flexible; it says go with the flow. In China, it has again big role in negotiations because the chief, the general manager or whoever has to be shown due respect. And in Korea also it has big role in negotiations.

So, business etiquette has got so, many manifestations which vary so, widely across nations that a successful business development person will be one who understands all the nuances deeply and conducts himself or herself accordingly.

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A Typical Culture Translation Guide in Business Development

What the Indian Teams say	What the Indian Teams mean	What the West Worries About
I will deliver the project…	It is the outcome I am committed to	The company concerns me on the process leading to results
Please do not worry about the team…	We can assemble a team in no time from Ground Zero	The quality of team members and the project management
Oh, by the way, should not matter as long as we deliver…	The contract is for the product and not for the process	The team does not understand stage-gated processes
This is not the first time that we are undertaking a project…	Every project is repeatable – you don't worry	The team is complacent about the uniqueness of our project
We are on the top of things…	Don't ask us questions	The team seems casual
Can we consider some other options for project delivery?	We should have freedom in delivery processes.	The team is not so sure, it looks
We can do more than this project…	Best time now to secure more projects.	The team is unfocussed.
If the project delivery lags, it is not going to be due to us…	We cannot control the uncontrollable	The team has no Plan B
Your project is more important to us than to you…	We don't think you are critically dependent on this project	The team doesn't understand that every project is critical

When we say something, it is not that we mean that completely or that it is understood literally based on the words that are putting. Let us look at a typical culture translation guide in business development. What the Indian teams say, what the Indian teams actually mean and what the west worries about.

So, let say the team says I will deliver the project. What we are meaning, it is that is that it is the outcome that I am committed to or nothing else. Indians do not bother too much about the process or the journey that leads to the outcome. Whereas the west is always bothered about every stage of the process being perfect to the timelines and perfect to the way it has to be done.

Then the west worries, the company concerns me on the process that will be adopted which will lead to the results. So, what you said is interpreted in a different way by the west because the west has an understanding of how India would function. Let say the Indian team says please do not worry about the team, we have everything already done.

What you are meaning is that we can assemble a team in no time from ground zero. The west worries that the quality of team members and the project management has not been specified in writing upfront. Another way of Indian team saying oh by the way, it should not matter as long as we deliver.

The inherent meaning, we have is that the contract is for the product and not for the process. Therefore, partner please do not worry about how we are going to conduct this process you just be worried about the product. The west worries that the team does not understand the stage gated processes that are very important for delivery of the project.

Many times, stage gated process are important because the other party has to set in motion. Several other activities which are related to the product that would appear on the scene a few months later. Unless those are put in place, the project will be incomplete from their end and if a project is getting delayed, there is no point in marshalling those resources. They view the whole thing from their view point.

Again, trying to assure an Indian team could say that this is not the first time that we are undertaking a project, therefore, no worries. And the implicit assumption we have is that every project is repeatable. Please do not worry whereas the interpretation by the West could be that the team is complicit about the uniqueness of our project.

Another assurance we give, we are on the top of things. Means do not ask us questions. Whereas the West says that the team is casual. Can we consider some other options for project delivery? Which means from our perspective, we should have freedom in delivery processes and West could interpret that to say that the team is not so, sure after all. We can do more than this project. We tend to be growth oriented. We tend to be opportunity driven.

So, even as we are discussing a project, we start talking about the next project that we could do. And we also are driven by the perception that when you are discussing a project and when it seems to go towards convergence, this would be the best time to secure more projects. The west thinks about it as the team being unfocused.

If the project delivery lacks, it is not going to be due to us. That is we say that whatever we can do within our control, we do. But if something goes wrong elsewhere, we are not responsible is the indication. We cannot control the uncontrollable is the less set, but betterment aspect of our team expression. Then the West worries that the team has simply no plan B.

Your project is more important to us than to you. That is if you try to you know indulge in hyperbole to say that your project is more important to us than to you. The actual implication is that we do not think you are critically dependent on this project. Then the West will say the team does not understand every project is critical.

So, you can see from these bits of dialogue as to how what we say is probably influenced by what we think in a different manner internally. And we do not know how the West thinks about that because of their own way or their own culture of doing things in a very tight and project managed manner.

So, we need to understand these translation guides so, that we choose appropriate words, appropriate phrases, make appropriate propositions when we think about building business based on project deliveries.

Inclusive Vs Authoritative Cultures

Inclusive/ Facilitative Cultures	Authoritative/ Hierarchical Cultures
Open disagreement based on perceptions and facts encouraged – *brings out several ignored or unseen dimensions for better quality decisions*	The boss's opinion is final (even initially!), and no public disagreement is allowed – *quality of discussions and decisions will be poor*
People will feel empowered to take initiatives on their own, without waiting for the boss's approval – *enhances the business canvas*	People will not take any action that is outside of the instruction; always approval first and action next – *makes organisation risk-averse*
In business development interactions with potential partners, there will be a less emphasis on hierarchy and a higher emphasis on stature – *helps in more fruitful outcomes*	The expectation will be on matching of hierarchy and titles as a preferred requirement – *the processes and outcomes could be bureaucratic*
Significant openness to multiple ways of communication, formal and informal – *builds relationships*	Communication follows the hierarchical chain – *often leads to siloed working*
Ability to develop relationships cascades throughout the organization, inspired by the leader's style – *results in collaborative team working*	Only people in similar titles or roles will be spoken to – *leads to communication barriers*

Then in any organization, you have inclusive culture. You will also have authoritative culture in various divisions. In some cases, the entire organization could be inclusive in culture and the entire organization could be authoritative in culture. Let us look at the features and compare these two cultures inclusive and facilitative on one hand authoritative and hierarchical on the other hand.

In an inclusive culture, there would be open disagreement based on perceptions and facts are encouraged even in public forums, even when the leaders are there. This approach brings out several ignored or unseen dimensions for better quality decisions. In the authoritative or hierarchical cultures, the boss's opinion is final.

Even initially, the way the boss's express their opinions determines how the team is expected to be responding. There is no public disagreement that is allowed in town halls. Therefore, the quality of discussions and decisions will be poor in authoritative and hierarchical cultures.

In an inclusive culture, people will feel empowered to take initiatives on their own without waiting for the boss's approval. Therefore, it enhances the business canvas. Whereas, in an authoritative or hierarchical culture, people will not take a reaction that is outside of the instruction set that is already provided.

Always approval first and action next. This makes an organization and its team members completely risk averse. The risk is not because of the business risk. The risk is because of the worry about the risky. An individual has in terms of doing something which has not been approved by the boss.

In business development interactions with potential partners, the inclusive cultures will emphasize hierarchy much less and provide much higher emphasis on stature. And this helps in more fruitful outcomes whereas, in an authoritative culture, hierarchy has to be matched in any interaction. Titles are required to be matched in any interaction. So, a vendor who is discussing has to have a senior person representing if the general manager of the buying company is involved.

So, the expectation will be on matching of hierarchy and titles as a preferred requirement. The process and outcomes could therefore, be bureaucratic. Significant openness exists in inclusive cultures to multiple ways of communication, both formal and informal. And this builds relationships within the company as well as between companies whereas, in an authoritative culture, communication follows the vertical hierarchical chains.

And this often leads to siloed working. Inclusive and facilitative cultures have one strong characteristic. They display an ability to develop relationships which cascade throughout the organization. And this is typically inspired by the leader's style and this results in

collaborative team working whereas, in an authoritative or hierarchical culture, only people in similar titles or roles will be spoken to and this leads to communication barriers.

So, it goes without saying that if a company has an inclusive facilitative culture, then the prospects of doing business development improves. And this is something which leaders and thus managers must take note of.

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And that is why the chief executive of a company must have the responsibility actually self-recognized responsibility to achieve cultural transformation to deliver superior results. When Mike F. Ball came to Haspira in 2011 to transform the quality systems and the quality capabilities and delivery capabilities of Haspira to the next level. He came up with an agenda of cultural transformation and he transformed the culture from within the organization all through the leadership approach.

So, he said that there are two planks of Haspira's cultural transformation. Make a difference, fix the foundation. The Haspira is a great company. It was an offshoot of Abbott's Hospital Products division. A team of enterprise leaders took over the hospital's division company and brought it to a significant stature in the generic injectables position and in medical devices market.

They also acquired companies such as main pharma and a couple of other companies as well as Haspira's acquired Indian injectables business assets and truck pipelines. It had a global leadership position and it was the largest injectables manufacturer in the US market. Similarly, it was number two in devices.

But when Mike Ball came and when he resolved that he should transform the company culturally, he first created cultural and for transformation and he came up with eight cultural anchors. The first one was quality focused compliant act with integrity. Be customer centric in whatever you do. As an individual, as a team and as a company, we should be accountable and responsible.

And he said that our communication should be direct and authentic. We should be fast and nimble and continuously improving in everything we do as a company. You should be thinking about the mega trends. Therefore, you should be anticipating as a cultural aspect of your behavior. We should focus and the focus should be on the main thing. We should be global and interdependent.

As the managing director of hospital India, I could witness firsthand the enormous cultural transformation that Mike Ball did in Haspira.

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And how did he accomplish it? By stating clearly what he wanted to do. We are executing a deliberate multipart plan which will transform the cultural anchors from words to how Haspirians choose to behave. That was Haspira CEO Michael. F. Ball in 2011 after he took over the leadership of the company.

So, he had two plans. Reinforced the foundation, turbo charge growth. And to be able to do that and make a difference to the company and therefore, make a difference to the company standing in the generic industry, he had a five planned program. One communication, communication and communication second integration, third top-down leadership that is setting the right tone at the top. Then stimulating bottom-up engagement and finally, reward and recognition for the right behaviours.

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Overcoming Barriers to Success in Cultural Transformation

Any cultural transformation journey must be resolute enough to overcome barriers to change and achieve success. Such a change, in turn, serves as the bedrock of strategic transformation at.

Barriers to Change	Success Factors for Cultural Transformation
Absence of visible cultural theme	Integrated development of cultural anchors, communications and programming
Resistance to change from legacy culture and practices	Unveiling of the cultural transformation programme by the top leadership. Integration of cultural anchors into everyday activities and communications
Inadequate time commitment from leaders and managers to develop the mindset and skills required to drive culture change	Senior Leadership and management team support, leadership and role-modelling
Messages getting stuck or distorted at every level of the organization	Leadership and management team's support to positive messaging, and frequent role modelling
Long time taken to implement even minor cultural changes	Rolling out the communications and programming quickly enough to hit a "tipping point" to drive change
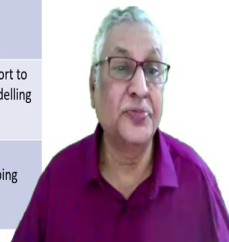
And what else did he do? He recognized the barriers to change and developed success factors for cultural transformation. That is because we have to overcome the barriers to success in any cultural transformation. It is not that any culture is significantly bad. Cultural at times involves in a time specific or generation specific manner. And you need to change the culture from time to time to be ahead of the curve.

So, any cultural transformation journey must be resolute enough to overcome barriers to change and achieve success. Such a change in terms of the better of strategic transformation at a company. So, what are the barriers to change? What are the success factors for cultural transformation?

One of the barriers to change in any cultural transformation exercise would be the absence of a visible cultural theme. Here as you have seen the company brought about an integrated

development of cultural hankers, communications and programming within the company. Resistance to change from legacy culture and practices could be another barrier to change. For that the leadership has to unveil a complete cultural transformation program.

The leadership has to integrate cultural hankers into everyday activities and communications. From displaying the cultural hankers on the dining tables and the notice boards to frequently conducting town halls which talk about newer cultural hankers is the way to go.

Inadequate time commitment from leaders and managers to develop the mindset and skills required to try cultural change because some leaders tend to get occupied with business priorities rather than cultural priorities. In the case of Hospira it was different. Senior leadership and management provided complete support. The teams were encouraged to support.

Leadership did role modelling in this process. In any cultural change messages of cultural change as well as barriers get stuck or distorted at every level of the organization. When you have leadership and top management support for positive messaging and frequent role modelling this barrier will disappear.

Generally, in organizations which have been of great vintage even minor cultural changes take a long time to implement. However, rolling out the communications and programming quickly enough to fit a tipping point to drive change would be the way to go for having success in cultural transformation.

Company Cultural Transformation: A Framework

So, looking at the way companies require cultural transformation from time to time and the way companies have transformed themselves successfully on cultural dimension. I have developed a framework for successful cultural transformation for any company. Let say you have low quality and productivity as well as the issues you have and that clearly is not a technical aspect it is a cultural aspect.

So, you need to recognize that cultural change is paramount because both quality and productivity are behavioural aspects of how you do things and to be able to do that first you set the new tone at the top. Faster and open culture, then you liken the organization to a swamp where the alligators and crocodiles are below this swamp you do not know; that means, if you mystically speaking you do not know the problems that are beneath the surface.

So, you drain the swamp so, to say. So, that the alligators and crocodiles are seen by you and which means the problems are noticed by you. Then you develop the appropriate cultural anchors you communicate across the organization, implement changes, you demonstrate the benefits reward good behaviour council against bad behaviour and in these processes institutionalized cultural change and that is how the framework works.

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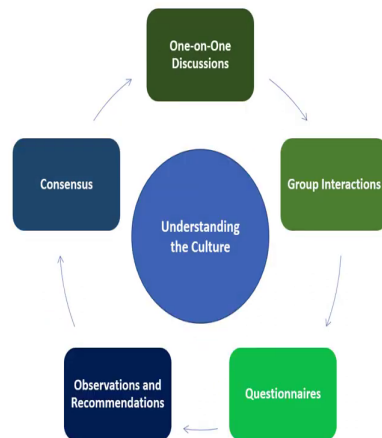
But to be able to do that first you must understand the current culture in an organization you should not have your armchair assumptions about the culture. It is also not sufficient to have an external concept and do it and use look at it from a distance you got to participate with an open mind you got to have one on one discussions you need to undertake group discussions you have to address their questionnaires you have to have observations and recommendations.

And finally, you should develop consensus then only you can understand the current culture of the organization and these must be held at multiple levels in the organization from the most operating level to the most senior level.

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And there are always for any organization cultural anchors that are available as a menu from which the appropriate ones can be chosen. Some of the important cultural anchors for any organization are as follows respect for individual being customer centric being performance oriented operational excellence accountability and responsibility being authentic and open in the thought processes and in the expressions and in the conduct

Displaying ownership and passion in whatever you do displaying quality and productivity compliance to high standards of environment safety and health as well as environmental empathy social responsibility and corporate governance these are all desirable cultural

anchors for any company these are I would say very generic cultural anchors which will be specific to every company.

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So, how do you foster a positive culture I have given you a framework, but if I delineate further, I would think of these six as the most important methodologies that you can utilize to develop a positive culture in your organization communication, outcomes, leadership, process, compliance and trust. So, what should be the facets of these cultural change parameters.
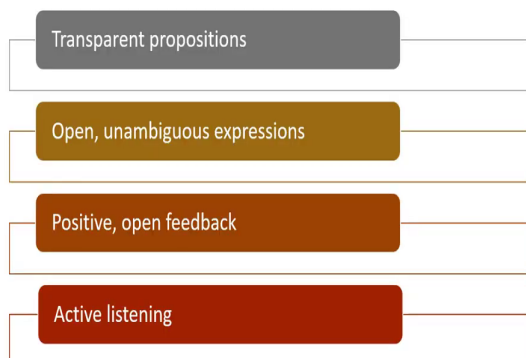
What is a positive communication culture a positive communication culture is one where you have transparent propositions there is no hidden agenda if you go to your boss and you say that I need this you should be transparent about why you are making this proposal what are the pros and cons what do you think will be the barriers and what are your recommendations to overcome the barriers and making this success.

Similarly, when the boss responds there should not be any hidden agenda either it should be very clear if he thinks or she thinks that is an experiment worth doing it must be said in clear terms rather than saying that no I do not believe in this, but yet you do kind of thing. So, propositions must be stand standardly transparent in any company.

Then expressions must be open and unambiguous. The feedback when it is required must be positive and open finding a fault is easy finding a solution is more difficult. One of the

biggest mantras we must have in our interactions in any organization do not find a fault please find a solution that is important.

And there must be active listening everybody wants to hear once own voice, but it is important in discussions to have active listening so, that the other point of you is heard with empathy.

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There must be a positive outcomes culture businesses exist to achieve results therefore, for every activity we undertake there must be an outcome. But this outcome cannot be driven through aggression, it cannot be driven through task orientation alone the outcomes culture which is positive has the force following facets it will be fact and data based negotiation.

It will be a synthesis of key enablers and disablers you should focus on principles rather than our personalities and there should be interest in progressive consensus building. This positive outcomes culture is very important for business development processes and negotiation process because facts and data provide clarity and objectivity.

Understanding of key enablers and disablers tell us how to proceed in future focus on principles rather than our personalities as we discussed in the previous lecture is one of the most important aspects of overcoming distortions in the negotiation processes. And interest in consensus building at every stage of the negotiation goes a long way in shortening the process of negotiation and strengthening the final outcome this is the positive outcomes culture.

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And of course, not necessarily third in order it always permeates every activity in a company. The positive leadership culture it should be inclusive facilitative and empathetic in its style.

There must be a mix of task and relationship orientation it is not that only an emotional relationship will help a team to deliver results a task orientation also is required.

But it must be balanced well fused there must be an egalitarian culture in the company which is encouraging meritocracy that is you have to refer to the earlier discussion about the inclusive and facilitative culture vis-a-vis the authoritative and hierarchical culture. We should have a mix of flat and hierarchical communication vertical lines are important at the same time horizontal dispersion of information is also important.

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Then processes are important the way we conduct our business processes is also going to influence how the culture is perceived and how the culture is developed in an organization we must have well laid out policies and processes. The relevant processes must be articulated a priori when you do a particular change in let say in distribution model, the processes that

must be adopted in undertaking the change must be articulated a priori that helps in positive process culture.

Similarly, when business development negotiations are undertaken between two partners it is good to explain how each business or each company conducts its processes at the same time the processes must be such that they are contextually agile and flexible there must be holistic appreciation amongst all team members on the process integrity of any activity within the organization or between the two companies.

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Then compliance is another very important aspect of culture. We must comply with good ethical values we should be value driven in how we conduct ourselves as members of an organization we should be compliant with schedules and we should be sensitive to time. We should be uncompromising on core, but reasonably adaptive on others we should have respect

for jurisdictions and regulations because any business development is likely to be cross-border as well.

So, we have to have due respect for jurisdictions and their relevant regulations it applies for both the parties.

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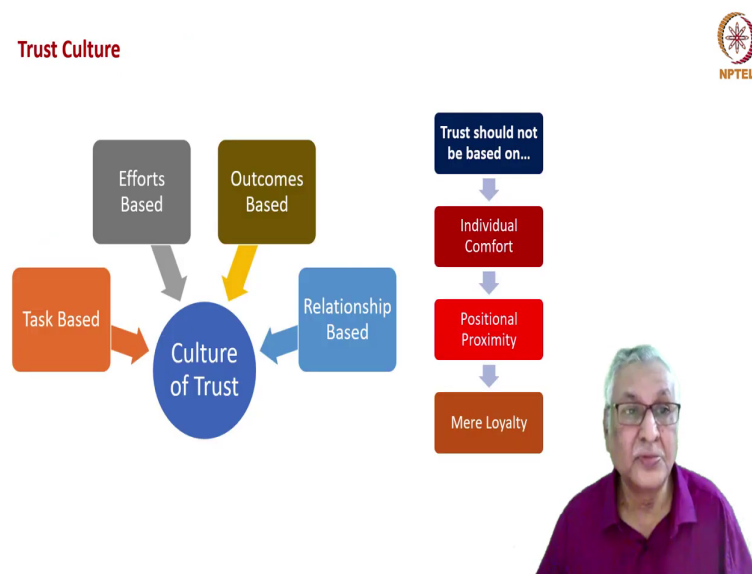
The other important cultural facet is a culture of trust. This is the fundamental driver of a positive cultural transformation and its institutionalization a culture of trust will be good when it is task based when it is efforts based when it is outcomes based and when it is also relationship based. And trust should not be based on simply the following individual comfort positional proximity and mere loyalty trust which is developed based on these kinds of short-term transient factors is unlikely to lead to any tangible trust culture.

In fact, it will distort the level of trust in the organization and trust generated based on such minor comforts is going to be failing very soon. So, we have to create in our organizations in our teams a sustainable culture of trust which is task based efforts based outcomes based and relationship based and I have outlined earlier how all of these things can be developed in a positive cultural format.

Thank you and I must state at this point that as a business development leader involved in multiple multinational negotiations and having seen hundreds of executives managers and leaders from different kinds of companies from all over the world I could gain an enormous appreciation of the importance of business development negotiation and culture.

And it has been my endeavour to bring many of these things into the lectures that I have talked about in this particular week, but I must also acknowledge the role played by Professor Prakash Sai a Senior Professor in the Department of Management Studies Indian institute of Technology who also proposed several constructs of negotiation and cultural management as part of his global business management course.

And he has been kind enough to enable me to allow me to take some of the constructs and adapt them to put forward my thoughts through those conceptual and through those conceptual filters and constructs. So, I am thankful to you Professor Sai and I am thankful to you participants for having devoted lot of attention and lot of interest in understanding the nuances of business development through negotiation as well as through cultural transformation.

Thank you once again.